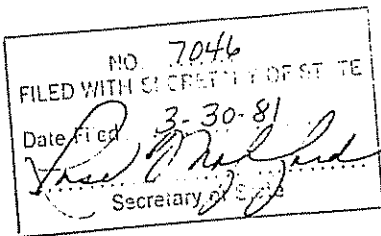


A.G. CONTRACT NO. 81-131

F-037-3-601
Fredonia Streets



INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE STATE OF ARIZONA
AND
THE TOWN OF FREDONIA

PARTIES

THIS AGREEMENT, entered into March 24, 1981,
by and between the STATE OF ARIZONA, acting by and through the Arizona
Department of Transportation (the "State") and the TOWN OF FREDONIA
(the "Town");

STATUTORY AUTHORIZATION

WHEREAS, the State is empowered by Arizona Revised Statutes
Section 28-103 to enter into this agreement, and the Director of the
Arizona Department of Transportation has by that certain resolution
attached hereto as Exhibit "A" and incorporated herein by reference
resolved to enter into this agreement and has delegated to the under-
signed his authority to execute this agreement on behalf of the State;
and

WHEREAS, the Town is empowered by Arizona Revised Statutes
Section 9-672 to enter into this agreement, and the Town council has
by that certain resolution attached hereto as Exhibit "B" and
incorporated herein by reference resolved to enter into this agreement
and has authorized the undersigned as its representative to execute
this agreement on behalf of the Town; and

PURPOSE

WHEREAS, as part of Project F-037-3-502, the State plans to
widen State Route 89A (Navajo Bridge-Fredonia Highway) within the Town
of Fredonia and, in order to dispose of accumulated water runoff along
the new roadway, desires to install storm drainage facilities within
the Town's right of way beneath Judd Street, West First Street and
Pratt Street; and

WHEREAS, the Town desires at a future date to install a
catch basin to connect with the State's drainage facilities at the
junction of Judd Street with First West Street; and

WHEREAS, both parties wish to set forth their respective
obligations relating to construction and maintenance of the drainage
facilities.

NOW, THEREFORE, in consideration of the mutual covenants
hereinafter to be kept by all parties, it is mutually agreed as
-- follows:

METHOD

The State shall:

1. At its own cost, install 30-inch concrete pipe storm
drains from State Route 89A, within the Town's right of way beneath
and along Judd Street and beneath First West Street to Kanab Creek,

and from State Route 89A within the Town's right of way beneath and along Pratt Street to Keno Creek.

2. Upon completion of construction, restore the streets named above to the same conditions existing before installation of the State's drainage facilities.

3. At its own cost, provide for proper maintenance of its drainage facilities.

4. Allow the Town to install at a future date a catch basin at the northeast corner of the juncture of Judd Street with First West Street to connect with the State's drainage facilities, subject to approval of the State's District Engineer.

The Town shall:

1. Grant and does hereby grant to the State an exclusive easement for use by its agents or contractors under the State's direction for vehicles, construction machinery, or other necessary uses in connection with the widening of State Route 89A or the installation of the drainage facilities, over and upon any Town streets which intersect or juncture with State Route 89A. It is understood and agreed between the parties hereto that, in order to facilitate the convergence of the Town streets with the new State Route 89A roadway, the State may, if necessary, make adjustments in the grade level at the intersection or juncture of any Town Street with State Route 89A.

2. Grant and does hereby grant to the State a perpetual right for a drainage system and all incidents appurtenant thereto beneath Judd Street, First West Street and Pratt Street, together with the rights incidental to the construction, operation, maintenance and improvement of a drainage system.

3. Obtain the approval of the State's District Engineer, Flagstaff, Arizona, before installing any catch basin connecting to the State's drainage system.

4. At its own cost and as an annual item in its budget, provide for proper maintenance of any catch basin installed by the Town which connects to the State's drainage system.

5. Save harmless the State and its agents or employees from any and all claims, actions, suits or judgments that may be made against the State or its officials by reason of the planning and construction or supervision of construction of the roadway improvements and drainage facilities. This agreement shall in no way inure to the benefit of the person, partnership or corporation who contracts with the State and fails to carry out the terms and plans of the contract.

DURATION AND TERMINATION

THIS AGREEMENT, except the provisions herein for maintenance of the drainage facilities and installation of catch basins, which shall be perpetual, and except as otherwise provided for, shall terminate upon completion of the work encompassed in this agreement. All parties are hereby put on notice that this agreement is subject to cancellation by the Governor, pursuant to Arizona Revised Statutes -- Section 23-511.

FILING WITH SECRETARY OF STATE

THIS AGREEMENT shall be filed with the Arizona Secretary of State and shall become effective upon filing.

IN WITNESS WHEREOF, the parties have executed this agreement
the date first above written.

STATE OF ARIZONA

TOWN OF FREDONIA

By: J. B. Mertz
J. B. Mertz
Chief Deputy State Engineer

By: Robert Harris
Robert Harris
Mayor

On this the 24 day of March, 1931, before me
Bernard L. Lind, the undersigned Notary Public, person-
ally appeared Robert Harris, known to me to be the Mayor of the Town
of Fredonia, and acknowledged that he executed this instrument for
the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires:

No Commission Expires To

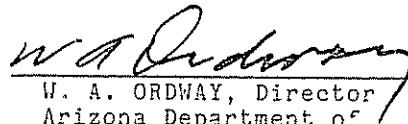
Bernard L. Lind
Notary Public

Exhibit "A"

RESOLUTION

BE IT RESOLVED on this 6th day of February, 1931, that I, W. A. Ordway, Director of the Arizona Department of Transportation, have determined that it is in the best interests of the State of Arizona for the Arizona Department of Transportation, by and through its Highways Division, to enter into an intergovernmental agreement with the Town of Fredonia for the installation of a drainage system and construction of improvements on State Route 39A (Navajo Bridge-Fredonia Highway).

THEREFORE, authorization is hereby given to draft said agreement which, upon completion, shall be returned for approval and execution by the Chief Deputy State Engineer.



W. A. ORDWAY, Director
Arizona Department of
Transportation

Exhibit "B"

RESOLUTION NO. 89

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL
OF THE TOWN OF FREDONIA, COCONINO COUNTY,
ARIZONA, AUTHORIZING THE EXECUTION OF AN
INTERGOVERNMENTAL AGREEMENT BETWEEN THE
STATE OF ARIZONA AND THE TOWN OF FREDONIA.

WHEREAS, both the State of Arizona and the Town of
Fredonia are authorized to enter into an Intergovernmental
Agreement for the purpose of providing for storm drainage
facilities and curbs and gutters along U.S. Highway 89A; and

WHEREAS, the State has agreed to construct said
improvements at its expense and allow for the attachment by
the Town of Fredonia to certain facilities to-wit a catch
basin at the Northeast corner of the junction of Judd Street
with First West; and

WHEREAS, it has been determined to be in the best
interest of the Town of Fredonia to enter into said Inter-
governmental Agreement.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL
OF THE TOWN OF FREDONIA, as follows:

Section 1. The Town of Fredonia enter into the
Intergovernmental Agreement between the State of Arizona and
the Town of Fredonia, a copy of which is attached hereto and
incorporated herein by reference.

Section 2. That the Mayor is hereby authorized to
execute said agreement for and on behalf of the Town of
Fredonia.

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL
OF THE TOWN OF FREDONIA, ARIZONA, this 2nd day of March,
1981.

TOWN OF FREDONIA

By Robert Harris
MAYOR

ATTEST:

Barlow E. Kimball
Town Clerk

APPROVED AS TO FORM:

Frank W. Stiles
Town Attorney



OFFICE OF THE
Attorney General

1801 WEST JEFFERSON STREET
FOURTH FLOOR
PHOENIX, ARIZONA 85007

ROBERT K. CORBIN
ATTORNEY GENERAL

INTERGOVERNMENTAL AGREEMENT

DETERMINATION

A. G. Contract No. 81-131, which is an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952, as amended, by the undersigned Assistant Attorney General who has determined that it is in proper form and is within the powers and authority granted to the State or its agencies under the laws of the State of Arizona.

No opinion is expressed as to the authority of the remaining parties, other than the State or its agencies, to enter into said agreement.

DATED this 16th day of March, 1981.

ROBERT K. CORBIN
Attorney General

Assistant Attorney General
Transportation Division